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UNCLAS SECTION 01 OF 02 TEGUCIGALPA 000810

SIPDIS

DEPT FOR EB/TPP/IPE, WHA/CEN DEPT PASS TO USTR

E.O. 12958: N/A
TAGS: <u>KIPR ECON KJUS HO</u>
SUBJECT: Honduras Seizes 20,000 Pirated Discs; First Such Seizure in Two Years

- 11. Summary. On April 12, 2005, EmbOffs met with Prosecutor for the Protection of Intellectual Property, Ligia Roque de Galeas, to learn the details of an April 6-7 successful seizure of approximately 20,000 pirated CDs and DVDs. Following the seizures, several suspects were arrested in raids on more than half a dozen sales locations in the cities of Tegucigalpa and Choluteca. The operation was planned and coordinated and largely owes its success to -Roque's initiative and the cooperation of Police Special Investigations Sub-Commissioner Ramon Sabillon. End Summary.
- $\P2$. The Government of Honduras, for the first time in over two years, has launched a successful operation to seize pirated CDs and DVDs. On April 6-7, over 40 police agents participated in raids on over half a dozen sales locations, seizing approximately 20,000 discs. This operation took place almost entirely at the initiative of the Prosecutor for the Protection of Intellectual Property, Ligia Roque de She accomplished this remarkable feat despite a Galeas. number of obstacles. Changes to the Honduran law a few years ago removed ex-officio authority, leaving the Prosecutor powerless to act without a criminal complaint in hand. (Once it enters into force, CAFTA-DR will fix this.) Undeterred and determined to put a stop to flagrant sales of pirated materials in broad daylight on the sidewalks of Honduras' cities, Ms. Roque de Galeas took it upon herself to contact a number of music and video publishers (including Sony, Dideca, BMG and Universal) to secure criminal complaints from them. (It is worth noting that to do so, she first had to persuade her own bureaucracy to approve her use of the telephone for the long distance calls to contact these companies -- an indication of how modest the resources are at her disposal.) Roque told us she was inspired in part to take these actions following suggestions received in training on IPR enforcement offered by the U.S. Patent and Trademark Office in February 2005, which Roque and two other GOH officials attended.
- 13. The week before the raids, Roque coordinated the logistics with the police Special Investigations Unit (DGSEI). The operation started in the afternoon of April 6 and finished on April 7. It took place in several locations throughout Tegucigalpa, including downtown, Colonia Kennedy, a video rental store (that rents out only pirated videos) in Lomas de Toncontin, and in the southern city of Choluteca. Forty policemen and 6 cars were used during the raids. Police seized 14,800 CDs and 6,800 DVDs. The discs are currently under police custody. After experts finish their examination and confirm to the courts that the goods are counterfeit, the seized products will be destroyed in public, most likely by driving over them with a bulldozer. (Roque is seeking to borrow a bulldozer from the Tegucigapla municipal authorities for this purpose.)
- $\underline{\P 4}$. Arrested suspects included primarily street vendors but also one person who reproduced these products in Tegucigalpa. (In the case of the DVDs, Roque reported that the movies had been downloaded from the Internet but that the booklet and promotional information were apparently being copied and produced locally.) Street vendors informed police that there are some reproducers in San Pedro Sula who normally send the products to a warehouse located in the popular San Isidro market in Comayaguela, just across the river from downtown Tegucigalpa. The street vendors reportedly identified their supplier in San Pedro by an alias; they apparently do not know his real name. Roque speculated that some vendors also receive products smuggled overland from El Salvador. Notably, however, there is no evidence thus far that any of the discs were made in China, which is often alleged to be the source of pirated material sold in Honduras. The street vendors were released on their own recognizance in exchange for providing information to the prosecutor about middlemen and suppliers of the pirated materials. The sole pirated disc producer arrested was also released but remains under investigation.
- 15. Roque told EmbOffs that with the criminal complaints she has received it will be possible to plan, coordinate, and carry out more seizure operations in the cities of San Pedro Sula and La Ceiba in the near future. She can also use the

existing complaints to file and to prosecute criminal charges if seizures are made in those cities. In order to support continuing operations of this type in Honduras, the media publishers who filed criminal complaints, joined by others from Costa Rica, have indicated they intend to file additional criminal complaints. They have also offered to provide technical assistance in identifying and prosecuting future piracy cases.

16. Comment. Post is very pleased that the IP training received by three Honduran officials (including Roque) in Washington in February 2005 resulted in such a spectacular success. Roque de Galeas is currently the sole prosecutor in the Public Ministry who has responsibility for IPR crimes. Though her portfolio was increased from half-time IPR to full-time IPR a month ago, she still lacks a formal declaration from the Attorney General naming her to the post, and she has no support staff. The recent operation was a success largely because of her will and drive, but the task at hand is simply too much for one official alone to confront. Post will contact the Honduran Government at senior levels to praise these efforts, to emphasize how important prosecution of IPR crimes is, and to underscore our gratitude for this clear demonstration of political will to confront this issue. Most importantly, we hope that public recognition of such a high profile success will encourage the Honduran Government to formally name Roque de Galeas as IPR Prosecutor and to follow through with plans to form an IPR unit within the Public Ministry and provide that unit with a level of support that will allow it to continue effectively cracking down on IPR violations in Honduras. End comment.

Pierce